

CASE STUDIES IN PART D

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Cornell University Resource Education for Medicare Part D

CHANGING STABILITY

THE CASE

SP is a 46 year old wife of a dentist who suffers from psychiatric disorders. She qualifies for disability and has received Part D benefits since the inception of the program.

Over the years, SP has relied on a number of different psychotropic medications, in various combinations, to control the symptoms of her illness. Her regimen has always included, in some form or another, the combination of an antidepressant, an antipsychotic, and an agent to treat anxiety.

There are many different medications which can be used to treat anxiety, but the mainstay of this therapy is a class of medications known as benzodiazepines. This group of drugs includes many medications, the most popular of which include clonazepam (Klonopin), diazepam (Valium), and alprazolam (Xanax). In addition to anxiety, they are used to treat seizure disorders and other neuropsychiatric illnesses.

Benzodiazepines are generally available in generic formulations and are relatively inexpensive. In any given year, it is estimated that about 15% of the population has taken a benzodiazepine. Although the current extent of use of these medications is unknown, about 100 million prescriptions for benzodiazepines were written in 1999.

Prior to Part D, SP paid cash for her prescriptions. Now it is much easier for SP to afford them. The antipsychotics, in particular, are very expensive. In her twenties, at the onset of her illness, SP had trials of many different antidepressants and antipsychotics to stabilize her condition. She maintained a relatively long period of stability until mid-2006, after she had started on Part D.

Despite the fact that Medicare requires plans to cover essentially all antidepressants and antipsychotics, there have been several times when formulary restrictions have made it difficult for SP to get these medications. Changing plans at the start of each new coverage year, SP has found that the formulary requirements of each plan are quite different.

Additionally, coverage of benzodiazepines is currently excluded under Medicare provisions. Because it is essential for her treatment, SP has opted to pay for this medication out of pocket but these costs do not count towards meeting her deductible. She understands that she could get coverage of benzodiazepines under some enhanced Part D plans. Premiums for those plans, however, are usually much higher.

Maintaining a fragile balance of stability is an ongoing struggle for SP, as it is for any psychiatric patient. Medication changes often expose exacerbations of psychiatric symptoms. While SP appreciates the reduced costs of medications under Part D, she is struggling with the therapeutic “roller coaster ride” that the medication changes are causing. She is also frustrated that Part D does not go “far enough” and cover benzodiazepine medications.

Part D Trivia Question

How many people are enrolled in a Medicare Part D stand alone prescription drug plan (PDP)?

- A. 4.5 million
- B. 9.2 million
- C. 17.5 million
- D. 26.7 million

WHAT WOULD YOU DO?

THE STUDY

Among Medicare beneficiaries, antidepressants are the most widely used therapeutic class of medications. For those with disabilities this is followed by antipsychotics, and for elderly beneficiaries this is followed by benzodiazepines. The Medicare Part D program has had a significant impact on the use of these psychotropic medications as well as the consequent financial burden to patients.

Prior to Part D, Medicaid paid, on average, 12% of total pharmacy reimbursement costs for antidepressants and 27% for antipsychotics. Medicare has since replaced Medicaid as the most important third party payer for these costs. In 2006, Medicare reimbursement was 29% for antidepressants and 40% for antipsychotics while Medicaid reimbursement was just 1% for antidepressants and 2% for antipsychotics.

Examination of prescription records at one large pharmacy chain has shown that the number of seniors who have filled at least one prescription for a psychotropic medication increased 7% from 2005 to 2006. This growth rate for antidepressants was 10.6%, for antipsychotics it was 8.5%, and for benzodiazepines it was 4.4%. Over the same time period, the number of prescriptions for antidepressants increased by 7% and by 18% for antipsychotics. Yet, the number of benzodiazepine prescriptions decreased by 5%.

This utilization data becomes curious when examined with data that shows changes in the beneficiary out of pocket cost burden for these medications: antidepressants decreased by 18%, or an average of \$4.52 savings per prescription, antipsychotics decreased by 21%, or an average of \$5.71 savings per prescription. In contrast, the out of pocket cost burden for benzodiazepines increased by 19%, or \$2.79 per prescription.

Part D plans are required to cover all, or essentially all, medications classified as antidepressants and antipsychotics. However, because of the cost and high utilization of these medications, there is strong incentive for plans to apply formulary management tools such as prior authorization, step therapy, and quantity limits. Such strategies have bona fide cost saving and therapeutic advantages but, as SP has found, they may also undermine stable therapeutic regimens.

Exclusion of the coverage of benzodiazepines under Part D has been a concern since the inception of the program. Legislation enacted in July, 2008 will help to fix this bump in the road. The Medicare Improvements for Patients and Providers Act (MIPPA), or HR 6331, will allow plans to cover benzodiazepines (and barbituates for certain medical disorders) under Part D. SP needs to be patient though. This stipulation will not take effect until January, 2013.

Certainly, Medicare Part D has had a huge impact on the utilization of psychotropic medications. As the program continues to evolve we should see an even further shifting of these trends. Meanwhile, SP needs to examine her plan choice carefully each year, not just looking at the total annual cost of the plan, but also looking at the formulary coverage of the medications which provide her with the most therapeutic stability and benefit.

Part D Trivia Answer

As of February, 2009, there were **17.5 million** people (or about 39% of all Medicare beneficiaries) enrolled in a stand alone Part D prescription drug insurance plan. Another 9.2 million are covered under Medicare Advantage Plans for a total of 26.7 million in Part D plans. It is estimated that 4.5 million are eligible for, but do not have, prescription drug coverage.

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